

ANNUAL POLICE

CAD ANNUAL REPORT 2013



SINGAPORE POLICE FORCE



COMMERCIAL AFFAIRS
DEPARTMENT

OUR MISSION

The mission of CAD is to prevent, deter and detect financial crime.

OUR SHARED VISION

To make Singapore the safest and most trusted place for business and finance.

CONTENTS

02

Commissioner's Message

04

Director's Report

06

Organisation Structure

08

Management Team

12

Report by Intelligence
and Corporate Services
Groups

20

Report by Enforcement
Group I

28

Report by Enforcement
Group II

36

Report by Financial
Investigation Group

44

Events and Visits

46

Glimpses of CAD

48

Notes of Appreciation

49

Acknowledgements

COMMISSIONER'S MESSAGE



The Commercial Affairs Department is a special part of the Police.

Much of CAD's work is done behind closed doors and therefore unseen to public eyes. A lot of its work requires meticulous and exhaustive effort. Often, the department will go to great lengths to gather intelligence, obtain and analyse relevant information and data before it shows its hand. Of course, when it acts, it is always with authority and decisiveness.

Ultimately, CAD's mission is to keep Singapore's companies, businesses and corporate citizens honest. Make no mistake, financial wrongdoing is no less grievous than more traditional crimes. For sure, serious and major commercial crime, which is the focus of CAD's attention, can have wide and severe impact, moving markets and shaking national confidence.

CAD's goal must be to make Singapore inhospitable to fraudsters, cheaters, scammers and launderers. There has to be no hiding place for those of that ilk, and their apprehension and prosecution must be a near certainty.

I happily note that CAD has successfully concluded several major investigations in the last year, several of which are still undergoing prosecution. Even as the department was kept busy operationally in 2013, it also made significant developmental enhancements. The new year will see a restructured and expanded CAD, one that is augmented by an infusion of new personnel and better organised to deal with cases of even higher complexity.

CAD continues to be firmly plugged into an extensive international network of like-minded agencies. It collaborates actively in many global initiatives and regularly exchanges information with foreign counterparts, so that it can be more effective in preventing, deterring and detecting commercial crime in Singapore.

The men and women of the CAD may be doing a special kind of police work, but they are fully committed to the Singapore Police Force's vision to make our little city-state the safest place in the world.

Ng Joo Hee

Commissioner of Police

DIRECTOR'S REPORT



Reorganisation

We have conducted a major reorganisation in order to become a more threat focused and intelligence-led agency, and to manage the increase in our numbers. The number of Commercial Affairs Officers (CAOs) has more than doubled. This has enabled us to free up some of our tight uniformed resources to be deployed more strategically.

Threat Focused

Singapore's openness as an international transport hub and financial centre exposes it to cross-border money-laundering (ML) and terrorist financing (TF) risks. We are seeing a trend of overseas criminals seeking to launder money through Singapore bank accounts. We have tripled our financial investigation resources, with dedicated branches for international cooperation and TF, investigations into proceeds from both domestic and overseas criminal activity and serious tax crimes.

There has been public concern over fraud taking place in the investment space that falls outside the reach of our financial regulators. There has been similar concern expressed over the misappropriation of government funds and donations in the non-profit sector. We have dedicated resources to combat investment fraud and public institutional fraud to improve the turnaround time for investigating these offences and speed up the recovery process for victims.

The enforcement scope of the regulated sector is set to increase with the proposal to criminalise the manipulation of financial benchmarks. Recent events in the stock market also suggest an increase in the scale and complexity of market abuse. To gear up for these challenges, we have expanded the securities fraud branch to a full division comprising three branches, including a dedicated branch to investigate fraud where the victim is a public company.

Organised crime groups are becoming more sophisticated and taking advantage of the opportunities afforded by our expanding financial services sector. They continue to launch direct attacks on our payment systems by stealing data to commit credit card fraud. They attack our financial industry by committing insurance fraud that can have a direct impact on consumers if there is an increase in premiums. Phone scams and internet scams are also becoming more audacious. Recently, scammers have even

dared to pose as government officials. We have redeployed our uniformed officers to increase our resources in this area, as well as step up our crime prevention efforts with the financial industry and outreach to increase public awareness of such scams.

Intelligence-led

Financial intelligence is the first line of detection for ML/TF. To ensure that our suspicious transaction reporting (STR) regime is robust enough to handle the reports generated by the world's fourth largest financial centre, the STR Office (STRO) has expanded from a branch to become a full-fledged division comprising three analytical branches and one field research branch.

We recently carried out an assessment of our ML/TF risks at the national level together with our fellow enforcement and regulatory agencies. To mitigate these risks, the STRO will work with the private sector and regulatory bodies to build a strong culture of STR reporting, particularly in the areas identified to be of higher risk.

Our experience with investment scams is that by the time we are alerted that something is wrong and conduct an investigation, it can be too late to recover most of the moneys invested. We are building a new intelligence capability to try and take a more proactive approach to nip such scams in the bud.

Results

These collective efforts have contributed to Singapore's highest ever level of money laundering prosecutions and convictions and the seizure of more than SGD 115 million of suspected criminal proceeds in 2013.

Re-introduction

Financial investigation and intelligence units around the world have different names and are situated in different enforcement agencies. We often have to explain to our foreign counterparts our exact function within and relationship to the SPF. Henceforth, we will introduce ourselves, succinctly and unambiguously, as the Financial Police.

Tan Boon Gin

Director

Commercial Affairs Department

ORGANISATION STRUCTURE

AS AT 1 OCTOBER 2013

DIRECTOR

SENIOR DEPUTY DIRECTOR
INTELLIGENCE AND
CORPORATE SERVICES
GROUPS

DEPUTY DIRECTOR
ENFORCEMENT
GROUP I

DEPUTY DIRECTOR
ENFORCEMENT
GROUP II

Suspicious Transaction Reporting Office

STRO Branch I
STRO Branch II
STRO Branch III
Field Research Branch

Investment Fraud Division

Investment Fraud Branch I
Investment Fraud Branch II

Private Institutional Fraud Division

Private Institutional Fraud
Branch I
Private Institutional Fraud
Branch II

Intelligence Division

Field Intelligence Section
Intel Analysis & Processing
Section

Securities Fraud Division

Securities Fraud Branch I
Securities Fraud Branch II
Public Companies
Investigation Branch

Public Institutional Fraud Division

Public Institutional Fraud
Branch I
Public Institutional Fraud
Branch II

Corporate Services Group

Planning & Organisation
Development Division
Corporate Support Division
Manpower & Training
Division

Commercial Crime Division

Payment Systems Fraud
Branch
Insurance & Specialised
Fraud Branch
Syndicated Fraud Branch

DEPUTY DIRECTOR FINANCIAL INVESTIGATION GROUP

Financial Investigation Division I

Financial Investigation
Branch I
Financial Investigation
Branch II

Financial Investigation Division II

Financial Investigation
Branch III
Asset Confiscation Branch

Financial Investigation Division III

Counter-Financing of
Terrorism Branch
International Cooperation
Branch

Policy & Operations Division

Anti-Money Laundering
Policy Branch
Financial Crime Policy &
Operations Branch

Reorganisation and Expansion of the Commercial Affairs Department

The significant changes to the financial crime landscape since 2000 presented new challenges to the CAD. To deal with the challenges, the CAD reorganised with the following objectives in mind.

- Deployment of dedicated resources to handle cases of high public interest;
- Deepening of investigation expertise in specialised areas of financial crime;
- Expansion of the CAD role in Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) work; and
- Early detection of investment fraud targeting large numbers of victims.

The expansion of the CAD increases its capacity to quickly and thoroughly investigate complex cases and cases of high public interest. With the increased resources at its disposal, the CAD can better provide support to other law enforcement agencies in AML/CFT investigations and help Singapore meet international AML/CFT standards.

The CAD now has more resources for the early detection of investment fraud that attract large numbers of investors. If such cases are not nipped in the bud, they will require even more resources in their investigation and victims potentially incur massive losses of their money.

New Organisation Structure

There are five groups in the restructured CAD.

- **Enforcement Group I** conducts investigations into investment fraud, capital market offences and fraud involving public listed companies.
- **Enforcement Group II** conducts investigations into syndicated fraud, payment systems fraud, advance fee fraud, insurance fraud and into financial crime involving companies, other legal vehicles, public service entities and institutions of a public character.
- **Financial Investigation Group** conducts investigations into complex money laundering and terrorism financing, handles international requests for legal assistance and supports national security agencies in financial investigation. The Group also develops policies and strategies on the enforcement of Singapore's AML/CFT regime and policies relating to the CAD operations and external cooperation.
- **Intelligence Group** receives, collates, analyses and disseminates intelligence and generates strategic intelligence to identify crime trends and areas of concern. The Group also has capability for tactical intelligence to aid financial crime investigation.
- **Corporate Services Group** provides support to the department in logistics, finance, human resource, training and corporate planning.

MANAGEMENT TEAM



MICHAEL SCULLY <u>Senior Deputy Director</u> Intelligence and Corporate Services Groups	TAN BOON GIN <u>Director</u>	SEOW HWEE KOON <u>Deputy Director</u> Enforcement Group II	RACHEL KOO <u>Deputy Director</u> Enforcement Group I	IAN WONG <u>Deputy Director</u> Financial Investigation Group
--	--	--	---	--

**PEH CHIN WAH**Assistant DirectorPrivate
Institutional
Fraud Division**LIM LU ERN**Assistant DirectorCorporate
Services Group**CHEUNG SIU WING**Assistant DirectorCommercial
Crime Division**LIM KOK MENG**Assistant DirectorInvestment Fraud
Division**LEE WEE KIANG**Assistant DirectorSecurities Fraud
Division

MANAGEMENT TEAM

INTELLIGENCE AND CORPORATE SERVICES GROUPS



CHIN LI LIAN, YOLANDA

Head, Suspicious Transaction Reporting
Office Branch I



CHUA JIA LENG

Head, Suspicious Transaction Reporting
Office Branch II



PEK BAN HUA, ANDREW

Head, Field Research Branch



SAMANTHA LEE

Head, Intelligence Division



TAN WEE KUAN

Head, Corporate Support Division



HO CHIN CHUAN

Head, Manpower & Training Division

ENFORCEMENT GROUP I



JASMINE CHER

Head, Investment Fraud Branch I



MICHELLE FOO

Head, Investment Fraud Branch II



TAN FONG CHIN

Head, Securities Fraud Branch I



SHERYL TAN

Head, Securities Fraud Branch II

ENFORCEMENT GROUP II

**NG CHONG SENG**

Head, Private Institutional Fraud Branch I

**HENRY SEAH**

Head, Private Institutional Fraud Branch II

**LIONEL DAMIAN LOW**

Head, Public Institutional Fraud Branch I

**MAK KUM KAY**

Head, Payment Systems Fraud Branch

**TRIANA RIDWEN**Head, Insurance & Specialised
Fraud Branch**CHEW JINGWEI**

Head, Syndicated Fraud Branch

FINANCIAL INVESTIGATION GROUP

**RICHARD WONG**

Head, Financial Investigation Branch I

**LIM TIAN LYE**

Head, Financial Investigation Branch III

**KEVIN HAN**Head, Counter-Financing of
Terrorism Branch**NIO YIN CHUN**

Head, International Cooperation Branch

**CHEW WAN LIN**Head, Anti-Money Laundering
Policy Branch**YOLANDA YU**Head, Financial Crime Policy &
Operations Branch

REPORT BY INTELLIGENCE AND CORPORATE SERVICES GROUPS

Authorised Signator

Name:

Birth Date:

Nationality:

NRIC/Passport No.
ID No.*:

Home Address (any):

Occupation:

Employment:

Relationship with:

Signature:

Signature Date:

The Intelligence Division provides comprehensive, timely and accurate field intelligence support to the enforcement arms of the CAD. The Division networks extensively with both local intelligence agencies and overseas law enforcement agencies to enhance the effective exchange and gathering of information given the transnational nature of commercial crimes.

The Intelligence Division was formed as a unit of the Commercial Affairs Department (CAD), when the CAD was re-constituted as a department of the Singapore Police Force on 10 January 2000. The Division comprises a field intelligence section and an intelligence analysis and processing capability. The Division is an integral part of the CAD enforcement function providing comprehensive, timely and accurate intelligence support.

The Intelligence Division nurtures close working relationships with local and overseas intelligence and law enforcement agencies to develop and exchange information, particularly to tackle transnational commercial crimes.

In 2013, the Division played instrumental roles in a series of major operations which culminated in the arrests of several persons involved in money laundering, cheating and credit card-related offences. The successes were made on the back of patient work involving the active monitoring of crime trends, prompt identification of suspects and close collaboration among the Division, the Police Intelligence Department and the CAD enforcement divisions.

An important aspect of the Division's work involves the analyses and monitoring of changes in operating environment of the CAD. Emerging trends of commercial and financial crimes are identified and brought to the attention of the CAD management.

Crime is getting more complex and we see a fast rising trend of transnational crime. In this context, the immediate challenge for the Division is in the building of deeper and stronger partnerships with our network of intelligence and enforcement communities to fight crime.

“The Intelligence Division nurtures close working relationships with local and overseas intelligence and law enforcement agencies to develop and exchange information, particularly to tackle transnational commercial crimes.”

The Suspicious Transaction Reporting Office (STRO) is the Financial Intelligence Unit (FIU) of Singapore. It is the central agency in Singapore for receiving, analysing and disseminating Suspicious Transaction Reports (STRs), Cash Movement Reports (CMRs) and Cash Transaction Reports (CTRs). The STRO turns raw data in these reports into financial intelligence to detect money laundering, terrorist financing and other criminal offences.

The structural reorganisation of the CAD mid-2013 affected the STRO in several ways. The 'policy' function was transferred to another CAD group and we added to the STRO another analysis branch and a new field research branch focused on suspicious financial activity. The STRO now has the ability to gather on-site ground information of suspect business activity to supplement desktop analysis of financial data. With the exit of the policy function, the STRO is now dedicated to the receipt, analysis and dissemination of financial information gleaned from STRs, CMRs and CTRs.

New milestones were achieved by the STRO in the receipt of financial intelligence. There was a 25% increase in the number of STRs received from 17,975 in 2012 to 22,417 in 2013. The number of CTRs received increased from 370,889 in 2012 to 370,933 in 2013. Although the number of CMRs received decreased by 22% from 85,012 in 2012 to 66,301 in 2013, the decrease is attributed to a new online reporting format at our E728 website launched on 1 August 2012.

Financial intelligence remained an important aspect of investigations by the CAD and other law enforcement agencies in the past year. In 2013, the STRO disseminated more information of suspicious activity to the CAD investigation units and other law enforcement agencies. The gravitation towards analysis of financial information in the investigation of property crimes is a clear indication of the relevance of the collation, analysis and dissemination work

undertaken by the STRO. Some of these cases are featured in this annual report.

International collaboration with other FIUs gained momentum with the signing of MOUs for the exchange of financial intelligence with Indonesia, Finland and France. The number of 'Requests for Assistance' from foreign FIUs increased by 48%, from 111 in 2012 to 164 in 2013. The STRO spontaneously provided financial intelligence to foreign FIUs in 341 instances in 2013 compared to 160 instances in 2012.

The STRO's priorities for 2014 involve working on areas of concern identified in the National Risk Assessment (NRA). The NRA is a national level assessment of the money laundering and terrorism financing threat to Singapore. The NRA report published in January 2014 contains an action plan to mitigate the threats identified. The STRO is working on several areas of concern with special focus on the Designated Non-Financial Businesses and Professions and non-profit organisations. Another STRO priority is in regard to capability enhancement. The STRO will achieve short term IT plans in 2014, while continuing work on a more substantial gearing up of our IT capability, particularly in improving infrastructure and adoption of new analysis methodology. The Financial Action Task Force Mutual Evaluation is on the horizon, commencing in 2015. The evaluation is an immediate priority and it will take up much time and attention of the STRO.

“Financial intelligence remained an important aspect of investigations by the CAD and other law enforcement agencies in the past year.”

Michael Scully

Senior Deputy Director
Intelligence and Corporate Services Groups

HIGHLIGHTS OF SUSPICIOUS TRANSACTION REPORTING OFFICE (STRO) CASES

Foreign Offender Sentenced for Dishonestly Receiving Funds (Li Huabo)

On 2 April 2013, Li Huabo was sentenced to 15 months' imprisonment for dishonestly receiving funds derived from criminal activity.

In January and February 2011, the STRO received information that Li Huabo and his wife, Xu Aihong, had

remitted SGD 5,137,686 into Singapore bank accounts held in their names.

Li Huabo was a Section Director at the Poyang County Financial Bureau (PCFB) in Jiangxi Province, China. In 2010/2011, Li Huabo was featured in several media reports for the misappropriation of RMB 94 million (approximately SGD 18 million) of public funds since 2006.

15 months' jail for receiving stolen money

By THAM YUEN-C

A CHINESE official, accused of embezzling 94 million yuan (\$19 million) in China, was yesterday sentenced to 15 months' jail in Singapore for receiving part of that sum in his bank account here.

Li Huabo, 51, was found guilty of receiving \$182,723 that was said to have been stolen from the Chinese government.

He is wanted in China for allegedly siphoning off government funds totalling 94 million yuan over a period of five years, when he was a finance bureau officer in Poyang county in Jiangxi province.

Part of the loot, said Deputy Public Prosecutor Luke Tan, was transferred through various intermediaries in three lump sums – \$73,939, \$35,009 and \$73,775 – to Li's United Overseas Bank account in Singapore. The transfers were done between December 2010 and January 2011.

Pushing for a jail term of up to 18 months, the DPP said Li's act had damaged Singapore's "hard-earned" reputation as a financial hub.

But defence lawyer Subhas Anandan countered that it was an exaggeration, as Li was not facing a money laundering charge and his offences had not caused any harm in Singapore.

Li was charged last year with



Li is wanted in China for allegedly stealing 94 million yuan in government funds, some of which was transferred to his UOB account. ST PHOTO: WONG KWAI CHOW

dishonestly receiving stolen property under Section 411 of the Penal Code.

District Judge Siva Shanmugam, in delivering his sentence yesterday, said that while the amount involved was not large, Li's offence was premeditated and his methods were sophisticated.

Li said he would appeal against the conviction.

During the trial, he said he was framed by his former co-workers in China, and insisted that he had not stolen from China's govern-

ment coffers.

He said he had made money over the years through investments in other businesses, such as a travel agency.

In 2010, he invested \$1.5 million in an approved fund in Singapore to help him qualify for permanent residency (PR) under the Economic Development Board's Global Investor Programme.

He and his family members were given PR status in November 2010.

yuenc@sph.com.sg

The STRO analysts reviewing their bank accounts observed frequent cheque deposits starting October 2010 and the funds originated from bank accounts in China. Considering their background, the STRO suspected the funds to be ill-gotten. The STRO referred the matter to the Proceeds of Crime Unit (PCU) of the CAD for their action.

The PCU investigation established that the funds deposited in the accounts of Li Huabo and his wife were derived from misappropriation of public funds in China.

Law Firm Partner Sentenced for Misappropriation of Moneys (Raymond Tan Tiong Hian)

On 25 February 2013, Raymond Tan Tiong Hian was convicted and sentenced to six years' imprisonment for criminal breach of trust of moneys received from clients of the law firm.

In March 2010, STRO received information that a clerk at the law firm T H Tan Raymond & Company received two cheques amounting to SGD 254,950 drawn on the law firm's clients' account in early 2010. The STRO analysts traced another four payments amounting to SGD 404,063.88 from the same account to the law clerk. The payments did not appear consistent with the business of the law firm. The STRO referred the matter to the Corporate Fraud Division (CFD) of the CAD for their action.

The investigation established that between June 2009 and June 2010, Raymond Tan, a partner of the firm, misappropriated SGD 1,490,414 from the clients' account which he used for personal expenses.

Bank Account Holder Sentenced for Assisting Unlicensed Moneylenders (Chan Wing San)

On 19 August 2013, Chan Wing San was sentenced to a month's imprisonment and to pay a fine of SGD 30,000 for three counts of contravening the Moneylenders Act.

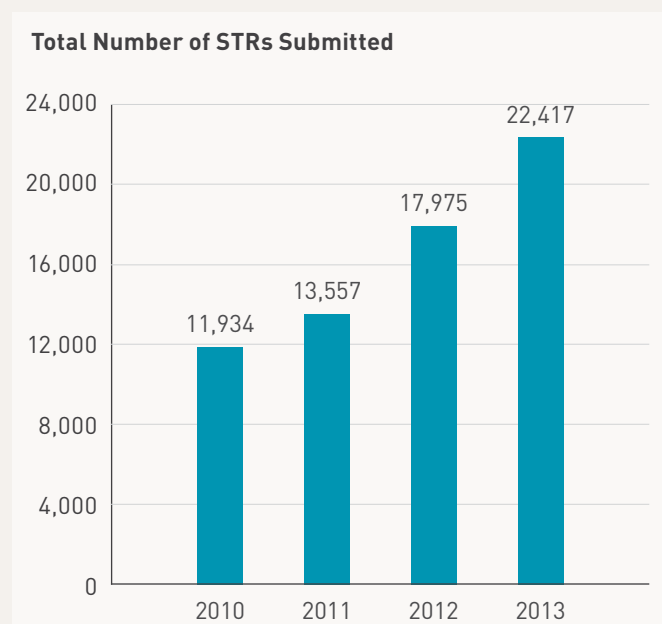
In March 2013, the STRO received information that bank accounts operated by Chan Wing San had a history of receiving frequent cash deposits that were withdrawn in the day or the next day. The STRO analysts discovered that he received 37 deposits totalling SGD 51,040.56 in his accounts between 24 November 2012 and 4 March 2013. The moneys deposited were withdrawn quickly. Such behaviour in operating a bank account is typical of unlicensed moneylending activity. The STRO referred the matter to the Unlicensed Moneylending Strikeforce of the Criminal Investigation Department for their action.

The investigation revealed that Chan Wing San had allowed the use of three bank accounts opened in his name to receive moneys for an unlicensed moneylending business.

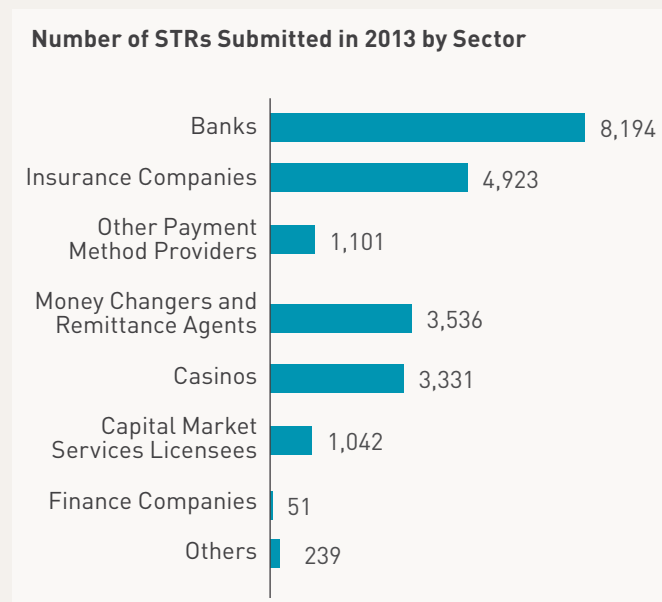
STRO STATISTICS

Total Number of STRs Submitted

Between 2010 and 2013, the number of STRs submitted has doubled from 11,934 to 22,417. This increase in number of STRs received is a positive development. It reflects the vigilance of reporting entities and a higher level of AML/CFT awareness in Singapore.

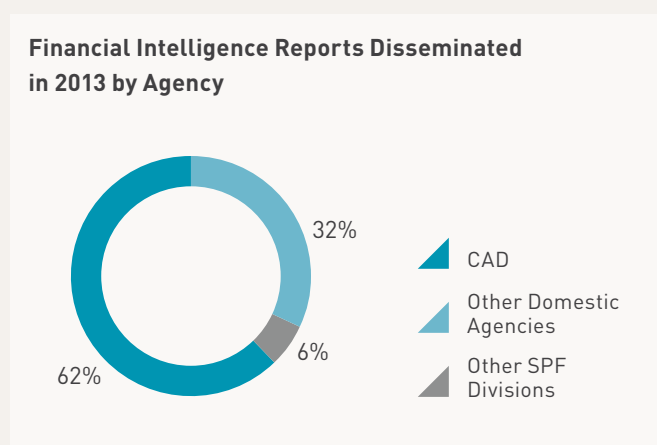


Although the banking sector continues to be the main source of STRs in 2013, an increase in the number of STRs submitted by other sectors was observed. A breakdown of the STRs submitted by the various sectors is shown in the chart below.

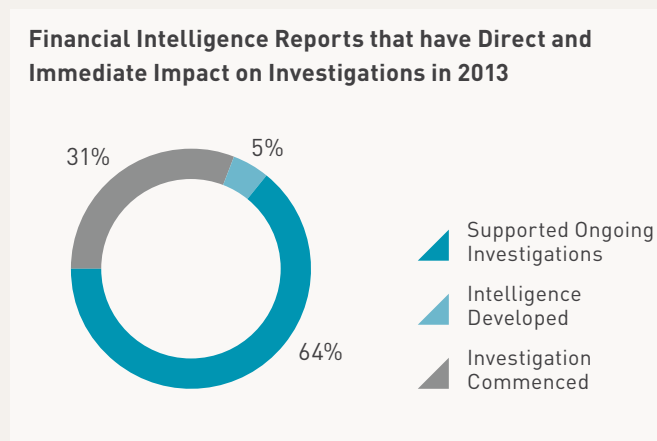


Outcome of STR Analysis

The STRO uses financial intelligence to add value to investigations and to assist law enforcement agencies to detect money laundering, terrorist financing and other criminal offences. In 2013, most of the financial intelligence reports were sent to the CAD investigation units. The breakdown of the disseminations of these reports to domestic law enforcement agencies is shown in the chart below.



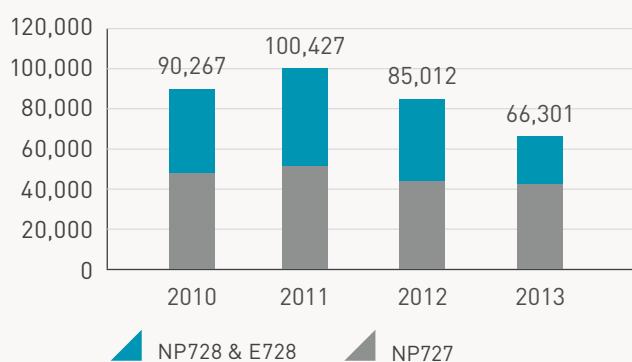
Financial intelligence will always play an important role in many investigations. Many STRs have a direct and immediate impact on investigations. The chart below shows how financial intelligence reports arising from such STRs have assisted domestic agencies in their investigations.



Total Number of CMRs Submitted

The STRO also receives cross border cash movement reports – NP727 (from travellers) and NP728 (from senders, carriers and recipients). Between 2010 and 2013, the number of NP727 forms submitted has been consistent. In August 2012, the STRO introduced the electronic submission of NP728 forms via an online platform called E728. Each NP728 paper form only allowed three cash and bearer negotiable instruments to be reported while E728 does not have this limitation. This new reporting format resulted in the dip in figures for NP728 reports in 2012 and 2013.

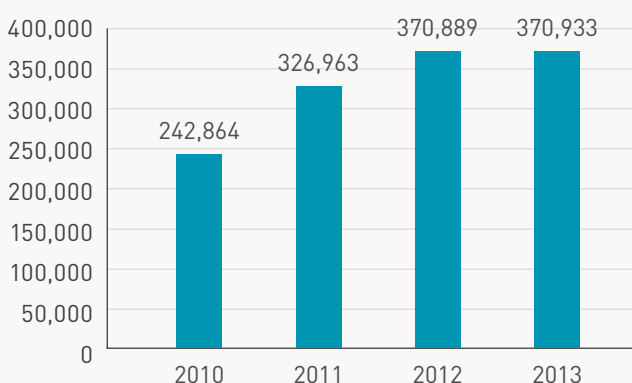
Total Number of CMRs Submitted



Total Number of CTRs Submitted

The STRO works closely with the Casino Regulatory Authority to enforce and strengthen the AML/CFT measures so that Singapore's casinos will not be used for laundering of criminal proceeds. Between 2010 and 2013, the number of CTRs submitted has increased over 50%. Valuable financial intelligence collated from these CTRs has assisted domestic law enforcement agencies.

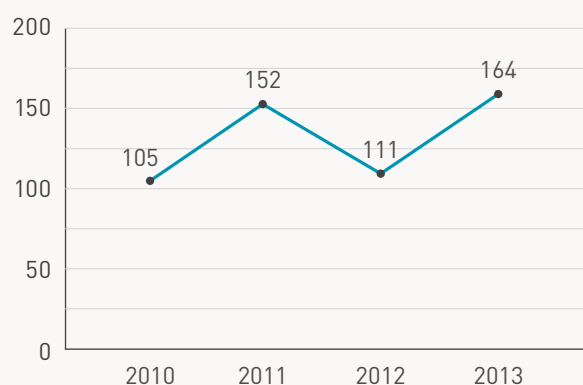
Total Number of CTRs Submitted



Requests for Assistance (RFAs) from Foreign FIUs

As a member of the Egmont Group of Financial Intelligence Units (FIUs), the STRO renders assistance within the limits of Singapore laws to our overseas counterparts in the global fight against money laundering and terrorist financing. Between 2010 and 2013, the number of such RFAs received from foreign FIUs has increased from 105 to 164.

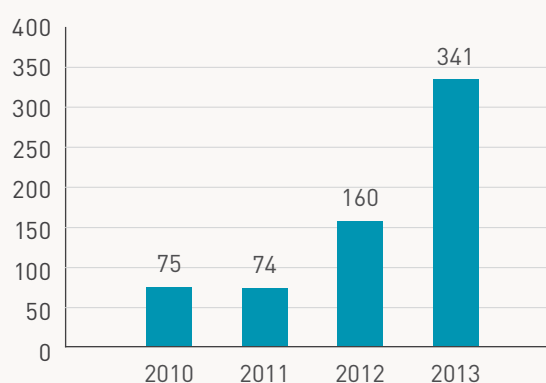
Number of Requests for Assistance from Foreign FIUs



Spontaneous Provision of Information to Foreign FIUs

The STRO has proactively forwarded financial intelligence reports to foreign FIUs to assist foreign law enforcement agencies in their detection of crime and their investigations. Between 2010 and 2013, the number of such spontaneous provision of information to foreign FIUs has increased from 75 to 341.

Number of Spontaneous Provision of Information to Foreign FIUs



Relationship with the Community

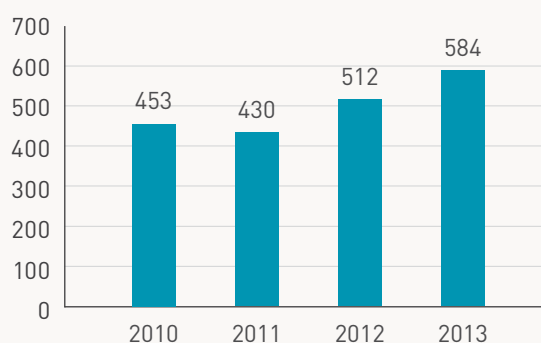
Between 2012 and 2013, STRO held 36 meetings and discussion forums involving over 1,000 individuals from the financial and business community. These sessions included closed-door discussions with individual financial institutions and also industry-wide events organised jointly with industry associations. Some of the meetings and discussion forums between 2012 and 2013 are listed in the table below.

Date	Name of Event
16 May 12	CPA Australia Talk: The Role of Accountants in Combating Money Laundering and Terrorism Financing in Singapore
29 Nov 12	STRO Workshop for Money Changers and Remittance Agents
5 Feb 13	8th Charity Council Governance Seminar
21 Mar 13	Outreach Session to Securities Industry
12 Jul 13	Association of Banks Singapore (ABS) Financial Crime Seminar
16 Aug 13	ABS - STRO Outreach to Banks on Implementation of Tax Crimes as a Money Laundering Predicate Offence (First Run)
5 Sep 13	Outreach Session to Designated Non-Financial Business or Profession (DNFBP) Regulators
25 Sep 13	ABS - STRO Outreach to Banks on Implementation of Tax Crimes as a Money Laundering Predicate Offence (Second Run)
30 Oct 13	Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) Outreach Session to Company Secretaries

Relationship with Domestic Agencies

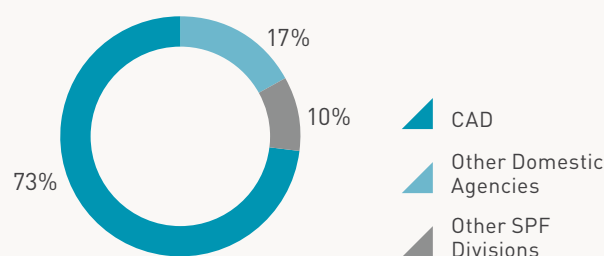
Between 2012 and 2013, the STRO conducted a total of 50 meetings and discussion forums with domestic agencies. The STRO maintains a database of financial intelligence and assists domestic law enforcement agencies to check the STRO's database for antecedents of financial transactions relating to their persons of interest. From 2010 to 2013, the number of requests for such antecedent reports has increased from 453 to 584.

Total Number of Requests for Antecedent Reports



A breakdown of the requests for antecedent reports from the various agencies is shown in the chart below.

Breakdown of Requests for Antecedent Reports in 2013 by Agencies



REPORT BY ENFORCEMENT GROUP I



The Investment Fraud Division looks at investment fraud arising from the unregulated sector such as pyramid schemes, commodities schemes into gold/wine which may look like financial instruments but are in fact not regulated by the authorities.

The Securities Fraud Division looks into capital market fraud arising from the regulated sector such as insider trading and manipulation of volumes and prices of shares.

The Year in Review

2013 was an extremely hectic year. We were heavily occupied by investigations into a number of companies that offered gold investment schemes. These cases tied up much of our resources due to their sheer size and complexity. We are mindful of the high levels of public interest in these investigations, and are endeavouring to resolve all these cases expeditiously.

Trial proceedings for two of our higher profile cases commenced during the year. While the Attorney-General's Chambers has conduct of criminal trial proceedings, the investigators do devote significant time and energy to trial preparations. The work includes preparation of court exhibits, which can run into the hundreds and thousands, and liaising with prosecution witnesses. The investigators also provide assistance to the prosecutors during the proceedings. Obviously the larger and more complex a case is, the greater the amount of preparation is required.

The trial proceedings against the three directors of Profitable Plots Pte Ltd, reported in the last Annual Report, had taken more than 60 days by the time it came to a close in January 2014. This is one of the longest proceedings for the prosecution of an alleged investment fraud in recent times. The verdict is expected in early June 2014.

“We see synergies in pairing these two divisions (Securities and Investment Fraud Divisions), and expect that such synergies will help to deepen our expertise and improve our effectiveness.”

The Securities Fraud Branch had investigated the aborted take-over offer by Dr Anthony Soh Guan Cheow for the shares of Catalist-listed Jade Technologies Holdings Ltd in 2008. The share price of the counter had fallen by more than 70% after the take-over offer was withdrawn by the medical doctor turned investor. The investigation had eventually resulted in Dr Soh being charged in court with 39 counts of offences including insider trading, market rigging and having no reasonable or probable grounds for believing he could fulfil his obligations if the take-over offer was accepted. Dr Soh's trial commenced late last year. In 14 days of trial, the prosecution tendered close to 400 exhibits. It is currently part heard.

Going Forward

In the past, most investment schemes revolved around traditional financial products like foreign exchange trading, futures and shares. In recent times, we are seeing more investment schemes involving non-financial products. New products are constantly introduced while existing ones often lose appeal for a variety of reasons and fade away over time. Products featured in such investment schemes can range from the familiar, such as land or gold, to the more unusual, e.g. fuel additive.

Investigating schemes that are suspected to be fraudulent is often fraught with challenges. Increasingly innovative business models are usually employed to pass off the products as investment opportunities. Multiple companies may be used to weave an intricate web of intercompany transactions as a disguise for the lack of genuine investment activities. Sometimes, investors are convinced to sign agreements with complicated terms and conditions. Unable to comprehend such agreements, they rely on what was verbally presented to them. In many instances, the verbal representations are different from the written agreement.

It is in recognition of these difficulties that the new Investment Fraud Division was created in last year's organisational restructuring exercise.

The same restructuring exercise also enlarged and elevated the Securities Fraud Branch to the Securities Fraud Division. This Division will deal with all offences under the Securities and Futures Act, including offers of investments, insider trading and market manipulation. The division also investigates fraud committed by publicly listed companies and their directors. We see synergies in pairing these two divisions, and expect that such synergies will help to deepen our expertise and improve our effectiveness.

Rachel Koo

Deputy Director

Enforcement Group I

HIGHLIGHTS OF ENFORCEMENT GROUP I CASES

Financial Adviser Representative Sentenced for Unauthorised Trading and Forgery Offences (Victor Wong Kooi Kong)

On 16 August 2013, Victor Wong Kooi Kong was sentenced to 28 weeks' imprisonment for unauthorised trading and forgery offences.

Victor Wong Kooi Kong joined Phillip Securities Pte Ltd as an exempt financial adviser representative (FAR) in October 2003. He received no basic pay or CPF contribution from Phillip Securities. Instead, his compensation package was tied solely to the investments he brought in. His responsibilities included advising his clients on the buying and selling of collective investment schemes (including unit trusts) and various types of insurance policies. However, as an FAR, he could not enter trades on his clients' behalf. If his clients wanted to buy or sell the financial products, they either entered the orders in their online accounts themselves, or handed him instruction forms that he was to submit to Phillip Securities for trading. Victor Wong received commissions based on the quantum of trades carried out by his clients.

Victor Wong devised a scheme which enabled him to conduct trades in his clients' accounts and reap additional commissions, without alerting his company and clients. Between October 2006 and February 2010, Victor Wong made numerous unauthorised trades in six clients' online accounts, making additional commission of SGD 41,610. The six clients suffered total losses of SGD 178,336 as a result. To achieve this, he created a number of new accounts in his clients' names, by submitting forged account opening documents. Apart from that, he also submitted forged documents to Phillip Securities for the purpose of changing the mailing addresses of some existing accounts so as to prevent his clients from being notified of the unauthorised trades. The fact that payments for these unauthorised trades came from his clients' CPF accounts also helped him to evade unwanted attention.

Ex-financial adviser jailed for forgery, unauthorised trades

WITH forged documents, a financial adviser with Phillip Securities opened accounts for clients without their knowledge to trade in unit trusts to boost his commissions.

Over two years, Wong Kooi Kong, 43, earned an additional \$41,610 but his victims lost a total of \$178,336 of their Central Provident Fund (CPF) funds.

Yesterday, he was sentenced to seven months in jail after pleading guilty to committing forgery and making unauthorised trades.

Now a taxi driver, he has made full restitution to the victims' CPF accounts.

The court allowed him to begin his time in jail in October, after defence counsel Shashi Nathan said his client did not want the sentence to affect his son's performance in the PSLE.

Between 2006 and 2008, Wong had forged account-opening forms under the names of eight of his clients to set up new unit trust accounts with the Phillip's Online Electronic Mart System.

He then performed trades without their knowledge. He also forged forms for the update of clients' personal particulars so that statements from Phillip Securities would be diverted to a mailing address in his control.

Deputy Public Prosecutor Hon Yi said that Wong's scheme was possible because the funds for these trades were from the clients' CPF accounts and they did not keep track of these funds.

However, on Oct 29, 2008, his firm reported him to the police.

KHUSHWANT SINGH

Victor Wong also entered into arrangements with other clients to conduct trades on their behalf. Such trades of course earned him additional commissions. But such trading for clients was an activity regulated under the Securities and Futures Act, and required a licence, which Victor Wong did not possess.

Victor Wong eventually pleaded guilty to three counts of unauthorised trading and three counts of forgery and was sentenced to 28 weeks' imprisonment. Another 13 charges were taken into consideration for the purpose

of sentencing. These charges included breaches of the Securities and Futures Act, in relation to the instances where he had actually entered into arrangements with other clients to trade on their behalf. Prior to the sentencing, he made full restitution to the clients who suffered losses.

Jailed for CBT of Moneys meant for Wine Buying (Mohan Nainan Nainan)

On 27 June 2013, Mohan Nainan Nainan was sentenced to a total of 11 months' imprisonment and a SGD 7,000 fine for forgery and criminal breach of trust offences.

11 months' jail for investment scam

By KHUSHWANT SINGH

TWENTY investors poured nearly \$176,000 into the Assetton investment company to buy high-quality French wine so they could sell it for a profit in the future.

They received certificates apparently from Grand Cru Storage attesting that their wines were safely stored at a facility in Bordeaux, France.

But it was all a sham, a district court heard yesterday. The certificates were fake and in many cases, no wine had been purchased.

Mastermind Mohan Nainan Nainan, 55, was jailed for 11 months after he pleaded guilty

yesterday to abetting in the forgery of the certificates and misappropriating the \$176,000.

He was the director and a shareholder of Assetton, a firm he had founded in December 2007 to sell French wines as investments.

In 2009, he accepted \$6,532 from an investor to purchase 12 bottles of fine wine. He had convinced her that she would be able to make a profit in three to five years' time.

In January 2011, she instructed him to sell the wine. When she did not hear from him after six months, she checked with Grand Cru Storage and discovered that her bottles were not stored at its facility. Nainan had not bought the wine.

In another instance, he pocketed the payment for six bottles of Chateau La Mission Haut Brion 2000, six bottles of Chateau Lafite Rothschild 2000 and six bottles of Chateau Margaux 2000, which he sold for another investor. These wines were valued at more than \$31,000.

Nainan also lied to the Registrar of Companies that his company's paid-up capital was

\$450,000. But the shareholders had not paid for the shares issued to them.

He was fined \$7,000 for contravening the Companies Act.

Pleading for a lenient sentence, defence counsel Samuel Chacko, who represented Nainan pro bono, told the court that his client did not misappropriate the money for "personal enrichment" but to pay staff salaries and rent an office.

Deputy Public Prosecutor Muhamad Imaduddin pointed out that the sum embezzled was "significant" and no restitution had been offered.

His jail term was backdated to Jan 22, the date he was remanded. For forgery, he could have been jailed up to four years and fined up to \$10,000.

Nainan could have been jailed for life and fined for the misappropriation offences, while contravening the Companies Act carries a fine of up to \$50,000 and/or a jail term of up to two years.

✉ khush@sph.com.sg

Chateau Lafite Rothschild, Chateau Margaux, Chateau Haut Brion, Chateau Latour – These were some of the wines sold by Assetton Pte Ltd. These wines were said to be produced in the Bordeaux region of France. They were hailed as investment-grade wines due to their high quality and limited supply. Assetton Pte Ltd sold to its customers both bottled wines and en-primeur wines, the latter referring to wines that are still in the barrels, undergoing the process of fermentation. Assetton told its customers that buying such investment-grade wines is a profitable undertaking because consumption would deplete the stocks of any particular vintage, but demand would continue to increase. As such, owners of these wines would be able to sell their wines at a handsome profit in the future as demand outstripped supply.

Many people saw this as an investment opportunity. Between January 2008 and May 2011, more than 70 customers paid a total of about SGD 1.3 million to Assetton Pte Ltd to purchase wines. After receiving the moneys from its customers, Assetton Pte Ltd assured them that the wines had been set aside under their names. Those who purchased the bottled wines were told that their crates of wines were stored in an appropriate storage facility in Bordeaux, France.

Sometime in 2011, some customers decided that they wanted to realise profits by selling off their wines. However, these customers found their requests ignored by Assetton. As time passed, the director of Assetton Pte Ltd, Mohan Nainan Nainan, became uncontactable. When some customers made independent checks with the storage facility where their wines were supposed to have been kept, they were informed that contrary to their belief, Assetton Pte Ltd had not stored any wines with the facility.

Investigations revealed that Assetton Pte Ltd had not used the moneys it received from its customers to purchase the wines. There was also evidence that the director Mohan Nainan Nainan had forged the certificates which confirmed to the customers that their wines were stored at the storage facility in France. Mohan Nainan Nainan was charged with six counts of forgery, 10 counts of criminal breach of trust and one count of an offence under the Companies Act.

Money Mule Sentenced to 38 Months' Imprisonment (Chua Boon Eng)

On 3 July 2012, Chua Boon Eng was sentenced to 38 months' imprisonment for dishonestly receiving stolen property.

Chua Boon Eng claimed that he was approached by someone by the name of Ah Guan with a proposal for him to earn some money. He agreed to register Dresner International Trading as a business in Singapore. He then opened a bank account for this entity, on the understanding that he would help manage the moneys that would be received in the account. He also agreed to take over the ownership of another business, T Moore Global, and open a bank account in its name. He was told that he would receive a commission for managing the bank accounts.

Shortly thereafter, remittances started to pour into the two bank accounts. The highest amount received in a single transaction was about USD 500,000. Chua Boon Eng would receive instructions to withdraw the moneys. He would then hand over the moneys to unknown subjects at designated locations. In return, he received a commission as promised.

Essentially, Chua Boon Eng was involved in a money mule arrangement. The moneys flowing into the bank accounts came from the foreign victims of cold call scams. These persons had received cold calls from what they believed to be stockbroking firms named Thomas Moore and Dresner International Trading. Thomas Moore had claimed to have offices located in Japan and Switzerland. During these calls, they were recommended selected shares listed on the New York Stock Exchange, and given the assurance that these shares would see a rapid increase in value. To pay for the shares, the victims were instructed to remit their moneys into the bank accounts of Dresner International Trading and T Moore Global in Singapore. They had done so believing that T Moore Global was related to Thomas Moore. Eventually, the victims did not receive their share certificates and could not contact the representatives of Thomas Moore and Dresner International Trading.

By the time the victims realised that they had been defrauded, all the moneys within the bank accounts had been withdrawn. It was also found that the Thomas Moore addresses in Japan and Switzerland were fictitious. Chua Boon Eng could not give a satisfactory explanation of his conduct of the bank accounts. He also could not provide any proof that “Ah Guan” existed.

On 3 July 2012, Chua Boon Eng was charged in Court for 54 counts of Dishonestly Receiving Stolen Property under Section 411 of Penal Code.

Former Bank Officer Sentenced for Cheating and Forgery Offences (Manisah Binte Mohamad Ariff)

On 16 January 2014, Manisah Binte Mohamad Ariff was sentenced to 15 months’ imprisonment and a fine of SGD30,000 for cheating and forgery offences.

Saddled with debts, Manisah Binte Mohamad Ariff, came up with fictitious investment schemes to cheat a distant relative.

It all started in 2011. Manisah approached the victim with an opportunity to invest in leveraged foreign exchange trading. A SGD 50,000 investment would generate a fixed return of SGD 625 per month over 10 years. The victim was tempted, but she did not have enough cash on hand to make the investment. But Manisah knew that the victim had unit trust investments with the bank she was working for. She convinced the victim to liquidate these investments and top up the difference in cash.

To the victim’s dismay, the investment did not work out as well as she had hoped. The returns were often delayed. Frustrated, the victim instructed Manisah to withdraw her investment. Manisah acknowledged the instruction, but repeatedly delayed the repayment with various excuses.

In the meantime, Manisah marketed another investment opportunity to the victim. Manisah claimed that, as a staff,

she was entitled to buy share options that would allow her to buy shares of the bank at a discount. According to her, the bank shares could definitely be sold at a profit. Initially, the victim was reluctant as the earlier investment was a disappointment, and she had yet to be repaid her moneys. However, Manisah convinced her that this was an opportunity of a lifetime. She also promised that the refund for the earlier investment would be made within days. The victim handed another SGD 35,000 to Manisah. Shortly after, Manisah convinced the victim to hand over another SGD 25,000 to purchase even more share options. The victim believed Manisah as she was furnished with emails sent by the bank stating the offer of such share options. Unknown to the victim at that time, these emails were forgeries.

When the alleged time came for the victim to exercise these options to acquire the bank's shares, she asked Manisah about her share options. Manisah admitted that she had actually not purchased them. She explained that some administrative issue had arisen and the moneys had been withheld by the bank. This aroused the suspicion of the victim. She checked with the bank and found out that the share option offer did not exist.

Mansiah was charged with cheating and forgery offences. Manisah was also found to be involved in unlicensed money lending related activities in a separate matter. As such, she was charged under the Moneylenders Act as well.

Woman who cheated relative of \$110k jailed

By KHUSHWANT SINGH

A PREGNANT 33-year-old woman will have her first child behind bars next month after she was jailed for 15 months yesterday for cheating a distant relative of \$110,000 and for assisting a loan shark.

Manisah Mohamed Ariff, who was also fined \$30,000 yesterday, made up investment schemes offering lucrative returns to convince Ms Zaiton Junid to hand over her money.

Asking the court to impose a jail term of at least 18 months, Deputy Public Prosecutor Kung Yong Jin said that there was plenty of planning and pre-meditation by the former DBS Bank officer, who also betrayed the trust of her relative.

But her defence lawyer Louis Joseph said his client, who has a bachelor of science degree in banking and finance from the Singapore Institute of Management, turned to cheating because of financial pressures which included having to support her aged parents.

With her husband, a resident manager working in Sentosa, looking on, she left the court to start her jail term in tears.

The district court heard that in mid-2011, she convinced Ms Zaiton, a 52-year-old purchasing officer, to put \$50,000 into a foreign exchange investment scheme "operated" by a fictitious forex brokerage firm in Cyprus.

Manisah promised monthly returns of \$625 for 10 years amounting to a profit of \$75,000. But the payments stopped after five months.

She then convinced her relative to hand over another \$60,000 in July 2012 for a DBS Employees Share Option programme which never existed.

By September 2012, Ms Zaiton suspected she had been cheated and made a police report.

Investigations then revealed that Manisah had helped a loan shark in June 2012 by handing over her ATM card and allowing him to use her bank account for illegal purposes. For cheating, she could have been jailed for up to 10 years and fined.

✉ khush@sph.com.sg

REPORT BY ENFORCEMENT GROUP II



Enforcement Group II looks into corporate fraud, fraud involving Singapore's payment systems and other forms of syndicated fraud. It has three divisions. The Commercial Crime Division investigates complex and specialised commercial crime such as credit card and ATM skimming, counterfeit currency, fraudulent insurance claims, trade financing and other forms of syndicated fraud. The Private Institutional Fraud Division looks into fraud involving private companies and businesses, as well as fraud committed by directors, lawyers and accountants acting in their official capacity. The Public Institutional Fraud Division investigates fraud involving charities and public organisations.

The Year in Review

2013 saw changes to our structure. We were reorganised to become more threat focused in order to prevent, deter and detect financial crime.

In 2012, there was a spate of skimming of card data at local Automated Teller Machines (ATM) and unauthorised overseas ATM withdrawals. Two men were convicted in the same year and another man was charged in 2012 and sentenced in March 2013 to 18 months' imprisonment.

In 2013, new methods of payment card fraud emerged. Separate syndicates stole mails enclosing credit cards from letter boxes in different parts of Singapore and used the stolen credit cards to make fraudulent transactions. We arrested and charged three persons for their involvement in these syndicates. They were sentenced to imprisonment ranging from 2.5 years to eight years. Our enforcement actions had disrupted the operations of the syndicates. To prevent further crime, we worked with the Card Security Group to identify and address weaknesses in the prevailing processes for issuing new cards. Banks now require customers to complete authentication steps before they can use newly issued cards.

We continued to keep up our pressure against syndicates making fraudulent insurance claims – they had engineered or staged road accidents and planted 'phantom passengers' to make personal

injury claims on insurance companies in Singapore. 18 persons, including masterminds, syndicate members and 'phantom passengers', were convicted of cheating or attempted cheating offences in 2013 and another 17 persons have their cases before the Courts. Although enforcement outcome is encouraging, prevention is still the best policy. We are working with the industry and the regulator to achieve earlier detection of fraudulent claims and to make the claims processes more robust.

We also brought charges in a timeshare-related case. We preferred 72 counts of cheating charges against Zamri Bin Zainal of Axial Management Pte Ltd (now known as Platinumbiz Enterprise Pte Ltd). He is accused of deceiving timeshare owners into paying a total of SGD 964,350 to Axial Management Pte Ltd for a foreign company to take over their timeshare interest. The case is still in Court.

Two lawyers were convicted for misappropriation of moneys from the clients' account of their firms – Mustaffa Bin Abu Bakar and Raymond Tan Tiong Hian were sentenced to imprisonment of 4.5 years and six years for misappropriating about SGD 1.2 million and SGD 1.5 million respectively. There were also prosecutions of public officers for fraud. One such case is Lim Cheng Hoe; he was sentenced to 15 months' imprisonment for cheating the government of SGD 90,000 when he was the Chief of Protocol at the Ministry of Foreign Affairs.

“Technology and globalisation is rapidly changing the way people live, work and play. Criminals are quick to respond to the changes and innovate in their game. Law enforcement has to constantly keep pace with the changes to win the war against criminals.”

Moving Forward

Technology and globalisation are rapidly changing the way people live, work and play. Criminals are quick to respond to the changes and innovate in their game. Law enforcement has to constantly keep pace with the changes to win the war against criminals.

We have been strengthening our capabilities to meet new challenges. We will continue to engage our foreign enforcement counterparts to share intelligence on crime syndicates and provide assistance on investigations to fight transnational crime. Domestically, we have also been engaging regulators, industry and financial institutions and have seen good results from the collaborations.

Our partnership with the Card Security Group, the Online Merchant Fraud Forum and the Freight Forwarders Forum, has been effective in preparing the industry and ourselves to deal with new types of payment system fraud. Our outreach to remittance businesses, such as Singapore Post and Western Union, on phone scams has also seen good results – their staff had stopped some unsuspecting phone scam victims from remitting money to the fraudsters’ overseas accounts.

We recognise the importance of educating the public to prevent crime. Police have placed crime advisories on multiple media platforms to reach both the man in the street and netizens. We encourage the public to be vigilant when they transact online or with persons they have not met or do not know and be wary of deals that sound too good to be true.

Seow Hwee Koon

Deputy Director
Enforcement Group II

HIGHLIGHTS OF ENFORCEMENT GROUP II CASES

Lawyer jailed for siphoning off \$1.2m from clients

He pleads guilty to taking \$880,000, part of it used to settle personal debts

By ELENA CHONG
COURT CORRESPONDENT

JUST over 10 years ago, he was nominated Young Lawyer of the Year.

Yesterday, Mustafa Bin Bakar wiped away tears in the dock as he was jailed for 4½ years for criminal breach of trust, after siphoning off \$1.2 million from clients.

The 42-year-old – an active volunteer in community service and once the owner of law firm Mustafa & Co – had pleaded guilty on Wednesday to four of nine charges of taking around \$880,000. The other five were taken into consideration during sentencing.

Called to the bar in 1998, he gave up practising voluntarily and dissolved his firm in January 2011 after running it for about six years.

During that time, the law firm had two bank accounts with RHB Bank and Maybank. The RHB account was used for the firm's daily operations and the other was a clients' account which acted as a trust account for their money. Mustafa was the sole signatory for both accounts.

Deputy Public Prosecutor Kevin Yong said Mustafa was handling a couple's sale of their Upper East Coast flat when he deposited three cheques amounting to \$182,711 into the clients' account and another for \$297,503 into the RHB account in 2010.

Out of the total proceeds of \$480,214, he paid the couple only \$40,000. They tried to get the rest from Mustafa, who had issued several cash cheques to himself and also issued cheques from the clients' account to various third parties who were not clients of the firm.

Mustafa admitted that he used the remaining sales proceeds of \$440,214 to settle his personal debts and those of the firm. To date, he has made \$15,000 restitution to the victims.

In two other conveyancing matters, Mustafa similarly misappropriated \$16,800 and \$37,320 from two different clients. In the fourth case, he was acting for a client in a divorce matter when he advised her to pass all her savings to him for safekeeping.

Between December 2009 and September 2010, she handed over a total of \$385,000. However, when she wanted the money back, Mustafa told her that he was unable to return it.

Mr Yong told the court that eight victims, including those in the charges that were taken into consideration, lost a total of \$1.24 million. He asked for an appropriate sentence to reflect the severity of Mustafa's offences.

Defence lawyer Suresh Damodara said the father of two was operating a free legal clinic rather than a business, which led to massive losses for the legal practice and clients owing him large amounts in legal fees.

Declared bankrupt in 2011, Mustafa suffered from clinical depression, said counsel.

The University of Liverpool law graduate had been an active and caring member of society for many years and had been appointed on several committees, he added.

Mr Damodara said Mustafa was instrumental in setting up the free legal clinic at Henderson Community Club.

Senior District Judge See Kee Oon took into consideration his previous contributions to the community and said a substantial sentence had to be imposed.

Mustafa could have been jailed for up to 20 years and fined on the most serious charge of criminal breach of trust as an attorney.

elena@hkg.com.sg



Mustafa was jailed for 4½ years yesterday. Eight victims lost \$1.24 million in total.

Lawyer Sentenced for Misappropriation of Moneys

(Mustaffa Bin Abu Bakar)

On 10 January 2013, Mustafa Bin Abu Bakar was sentenced to 54 months' imprisonment for eight counts of criminal breach of trust of moneys received from clients of his law firm and one count of acting as an advocate or solicitor while being an unauthorised person.

Mustaffa was the sole proprietor of a law firm, Mustaffa & Co, specialising in conveyance, divorce and probate matters. Between 2009 and 2010, he misappropriated moneys due to his clients for the sale of their properties and the cash entrusted to him by his clients for safekeeping during divorce proceedings.

Mustaffa had received the proceeds of sale of properties on behalf of his clients from buyers. He transferred the moneys from the clients' account to the operating account of his firm and issued cash cheques totalling SGD 521,180.64 from the operating account to himself. It became suspicious to his clients when he delayed the payment of the sale proceeds. When pressed for payments, he then issued cheques. However, these cheques were dishonoured when the clients presented them to the bank.

He also duped his clients who were undergoing divorce proceedings to transfer their cash to him for safekeeping. The cash was to be returned to the clients when their divorce proceedings were concluded. Three of his clients handed cash totalling SGD 720,000 to him for safekeeping and Mustaffa misappropriated them.

Mustaffa had also attended court in the capacity of an advocate and solicitor on one occasion before his practising certificate was renewed.

By ELENA CHONG
COURT CORRESPONDENT

More banks were hit

STANDARD Chartered and United Overseas Bank were among the banks here to be hit by ATM card-skimming cheats last year.

This came to light yesterday when a Canadian was jailed for 18 months for his role in a scam that cheated the banks' customers out of more than \$108,000.

Feodor Jeliaskov, 26, fixed the skimming devices to a StanChart ATM at Marine Parade Road and a UOB machine at City Plaza last March. The gadgets captured the personal identification number

(PIN) entered by account holders and data from the cards' magnetic strips. This was used to make cloned cards which were used to withdraw cash illegally from victims' accounts at other ATMs.

Banks here say they have tightened security measures since a syndicate cheated DBS customers of nearly \$1 million by skimming PINs at two ATMs in Bugis in November 2011.

Jeliaskov was paid 15,000 Cana-

dian dollars (S\$18,300) by a man he owed money to, known only as "Peter", to come to Singapore to carry out the scam.

The restaurant worker's conspirators managed to withdraw a total of \$108,782 from 41 accounts via 216 withdrawals. Deputy Public Prosecutor Kumaresan Gohulabalan said about \$61,000 was unlawfully withdrawn from 17 StanChart accounts in Malaysia and Canada last May.

Vice President of Sales and Marketing Sentenced for Falsification of Accounts (Kang Yong Guan Raymond)

On 13 May 2013, Kang Yong Guan Raymond was sentenced to 18 weeks' imprisonment for 78 counts of falsification of accounts.

Raymond Kang has a degree in Accountancy and is a Certified Public Accountant. He joined Tandberg Data (Asia) Pte Ltd, a company in the business of selling tape drives and storage to distributors across Asia Pacific, in 1998 and rose to the position of Vice President of Sales and Marketing.

Raymond Kang received sales commission for meeting the company's sales targets. Any sales cancellation would be recorded as a reduction in sales. Between 2008 and 2009, Raymond Kang instructed his officers to record sales cancellation amounting to SGD 5.9 million in another account. This caused the company's sales to be overstated by SGD 5.9 million. A corresponding SGD 30,215 in sales commissions was paid to Raymond Kang.

Restaurant Manager Sentenced for ATM Skimming (Jeliaskov Feodor)

On 22 March 2013, Jeliakov Feodor was convicted and sentenced to 18 months' imprisonment.

On 7 May 2012, Standard Chartered Bank lodged a police report of suspicious Automated Teller Machines (ATM) withdrawals in Canada and Malaysia involving Singapore issued accounts. It was suspected that these accounts were compromised via ATM skimming in Singapore.

Between 18 and 28 March 2012, the accused and members of a syndicate installed ATM skimming devices at two ATM machines, one belonging to Standard Chartered Bank and another belonging to United Overseas Bank, in Singapore. The devices captured the Personal Identification Numbers (PINs) entered by the account holders and the data in the magnetic strip of the ATM cards. The stolen information was used for unauthorised withdrawals at ATMs overseas.

by skimming cheats

He said that in June, a total of \$36,540 was illegally withdrawn from 16 local UOB accounts before Jeliaskov was arrested here in July, following a bank officer's report that eight unauthorised withdrawals totalling \$3,972 were made in Canada from a Singapore customer's account.

He admitted to two counts of scheming with others to dishonestly misappropriate property.

Lawyer Derek Kang said his cli-

ent was remorseful. Jeliaskov made restitution of C\$5,000.

DPP Kumaresan said the offences were carefully planned.

One charge taken into consideration involved 30 withdrawals totalling \$11,282 from five StanChart accounts at ATMs in Malaysia and Canada. The other involved an attempt to misappropriate property by installing the same device at a POSB ATM in Balestier Road. No money has been

recovered and his accomplices have not been caught.

District Judge Tan Boon Heng said Jeliaskov's offences warranted a deterrent sentence.

StanChart and DBS contacted all the customers who used the affected ATMs to replace their ATM cards. All unauthorised withdrawals from StanChart and UOB accounts have been refunded.

The Monetary Authority of Singapore said it holds banks directly responsible for the safety and soundness of services and systems they provide to customers.

✉ elena@sph.com.sg

Additional reporting by Magdalen Ng

Jeliaskov Feodor, a Canadian National, had conspired with others to illegally withdraw cash from numerous ATMs in Malaysia and Canada. He was responsible for fraudulently withdrawing SGD 97,230.45. He was arrested when he returned to Singapore in July 2012.

Director Sentenced for Misappropriation of Moneys (Tan Kim Wah)

On 12 July 2013, Tan Kim Wah was sentenced to 18 months' imprisonment for one count of criminal breach of trust of his employees' salaries.

Vigour Technologies Pte Ltd is in the business of ship repair and industrial plant maintenance. It is a resident contractor of Jurong Shipyard Pte Ltd and carries out outfitting works for the latter. The company has two directors – Tan Kim Wah oversees its operations while Sengani Sadasivam manages the company's finances. Every fortnight, Sengani Sadasivam would issue a cheque to withdraw cash from the company's bank account to pay workers' salaries. The moneys were passed to Tan Kim Wah, who would acknowledge receipt of the cash and pay the workers.

Tan Kim Wah had, between 29 October 2010 and 19 May 2011, told the workers that the company was having cash flow problems and they could only receive a portion of their pay. In fact, he had pocketed the SGD 233,879.80 they were supposed to receive.

In August 2011, some workers told Sengani Sadasivam that they had not been paid their salaries in full. As the amount misappropriated snowballed, it became increasingly difficult for Tan Kim Wah to hide the fraud.

Repeat Offender Sentenced for Theft and Credit Card Fraud (Liew Sin Kiang Jeffrey)

On 31 July 2013, Liew Sin Kiang Jeffrey was convicted and sentenced to eight years' imprisonment for theft and cheating offences.

On 20 January 2011, a victim first reported that someone had misused her new credit card and she had not received it from her bank. After that, other victims also reported that their new credit cards had been misused and they did not receive these cards from their banks.

Investigations revealed that Liew Sin Kiang Jeffrey had conspired with other accomplices to steal mails enclosing the credit cards from letter boxes in HDB blocks in various parts of Singapore. They would then proceed to make fraudulent transactions with the stolen cards. Jeffrey Liew faced 328 counts of cheating, theft and other offences, involving a total of SGD 154,500.88 in fraud losses.

Recalcitrant Debtors Sentenced for Credit Card Fraud (Lim Sian Peng and Chew Swee Kwang)

On 17 October 2012, Lim Sian Peng was convicted to 42 months' imprisonment for debtors' harassment and abetment by conspiracy to cheat. On 25 April 2013, Chew Swee Kwang was convicted and sentenced to 30 months' imprisonment for theft and abetment by conspiracy to cheat.

Between May and June 2012, six victims reported that fraudulent purchases of iPad and Galaxy Tab were charged to new credit cards which they had never received from their banks.

A syndicate was at work – the members had stolen credit cards from letter boxes island-wide and used the stolen cards to make fraudulent purchases. Investigations were conducted. Through profiling of the culprits who made the fraudulent purchases and collaborating with Police Land Divisions, investigators had a breakthrough.

Chew Swee Kwang and Lim Sian Peng were arrested. Lim Sian Peng was also found to have harassed persons in relation to unlicensed money lending.

Crane Operator and Taxi Driver Sentenced for Fraudulent Insurance Claims (Mohamad Salim and Kader Kassim-Don)

On 17 October 2013, Mohamed Salim Bin Shahul Hameed and Kader Kassim-Don were convicted and sentenced to 15 months' and nine months' imprisonment respectively for cheating and giving false information to a public servant.

On 10 March 2009, Mohamad Salim was riding alone on a scooter belonging to Kader Kassim-Don when he was involved in a road traffic accident. He suffered serious injuries and was conveyed to a hospital.

As Mohamad Salim did not possess a driving licence and was not covered by insurance, he and Kader Kassim-Don decided to file a false Traffic Accident report with the Traffic Police. The report stated that Kader Kassim-Don was the rider of the scooter while Mohamad Salim was the pillion when the accident took place. After the false Traffic Accident report was filed, Mohamad Salim submitted injury claims against AXA Insurance Singapore Ltd. He claimed a sum of SGD 610,368.71 for the injuries he sustained from the accident.

On 11 February 2011, AXA Insurance Singapore Ltd lodged a police report of suspected fraud in the insurance claim. It had yet to pay out the claims. CAD conducted an investigation and prosecuted Mohamad Salim and Kader Kassim-Don for attempting to cheat and giving false information to a public servant.

Motor Insurance Claims Adviser Sentenced for Fraudulent Insurance Claims (Ong Ka Li)

On 10 September 2013, Ong Ka Li was convicted and sentenced to 42 months' imprisonment for cheating and giving false information to a public servant.

Ong Ka Li was a freelance motor insurance claims adviser. He provided consultation services to motorists involved in road traffic accidents. He also provided consultation services for a private taxi rental company, Beach Road Radio Taxi Services and had information on traffic accidents that involved taxis belonging to the company.

Ong Ka Li orchestrated a series of fraudulent motor insurance claims. He asked taxi drivers to file injury claims for traffic accidents involving the company's taxis even though they were not injured. He also asked other individuals to participate in his scheme as "passengers" in the taxis during the traffic accidents. He provided the "passengers" with information on the accidents and instructed them to see doctors and state that they had suffered injuries as a result of the traffic accident. Ong Ka Li then assisted these individuals to file fraudulent personal injury insurance claims through various law firms. He also asked some "passengers" to file false reports or provide false information to facilitate the fraudulent injury claims.

On 9 August 2009, India International Insurance lodged a police report of fraudulent insurance claim after receiving injury claims for a motor vehicle accident. The CAD conducted extensive investigations and found many fraudulent claims submitted to various insurance companies. The total amount was SGD 720,649.60 of which SGD 115,364.28 had been paid out by the insurance companies. Ong Ka Li was prosecuted for cheating and giving false information to a public servant.

Administrative Assistant Sentenced for Embezzling Company's Funds (Linda Tan Siew Li)

On 4 December 2013, Linda Tan Siew Li was sentenced to four years' imprisonment for criminal breach of trust as a servant and forgery.

TAC Resources (India) Pte Ltd operates a Training & Test Centre in Chennai, India with the approval of the Building and Construction Authority of Singapore to train applicants for work in the construction industry in Singapore and to administer a test for the applicants. Linda Tan Siew Li was an administrative assistant in a related company and was responsible for the registration of applications for the tests and the collection of registration and test fees. She was to hand over the cash collections daily to her manager for safekeeping and to batch all fees collected for each test and hand the moneys and collection schedule to the Accounts Department.

In January 2013, Linda Tan collected SGD 339,120 in cash but only handed over SGD 181,270. In February 2013, she collected SGD 392,110 and kept the money. She also misappropriated another SGD 231,873 from another related company. To cover up, she submitted two forged documents to mislead her manager into believing that the moneys had been handed over to another employee.

Linda Tan used the misappropriated sums to gamble at casinos and to pay off her gambling debts.

REPORT BY FINANCIAL INVESTIGATION GROUP



The three Financial Investigation Divisions in the group combat money laundering in Singapore. They investigate into money laundering, terrorism financing and fraud involving employees of financial institutions. The Divisions work closely with local financial institutions, government agencies and foreign counterparts to ensure that Singapore has a robust anti-money laundering and counter financing of terrorism (AML/CFT) regime.

2013 was a challenging year for the Financial Investigation Group (FIG). The increase in workload, especially from cases involving “money mules”, kept us very busy throughout the year.

We received a significant number of reports from complainants outside Singapore alleging that their emails were hacked into, and used to send fraudulent funds transfer instructions to their banks. The banks were deceived into believing that these were legitimate email instructions from their customers, and proceeded to transfer funds into bank accounts in Singapore.

The syndicates behind the said email hacking also recruited money mules in Singapore to receive the funds in their bank accounts. Shortly thereafter, the syndicates would instruct the money mules to withdraw the funds in cash and pass it to another mule, or to remit the funds into a bank account overseas.

Some of these money mules knowingly assisted the fraudsters to launder their proceeds of crime. Others suspected there was something amiss, yet went ahead to transfer funds for the syndicate.

In 2013, we investigated into 212 cases relating to money mules involving SGD 31.5 million, up from 93 cases in 2012 involving SGD 24.6 million.

We took swift action in these cases with a view towards seizing illicit funds if they were still in Singapore, and prosecuting money mules in appropriate cases. We also embarked on a series of measures to warn the public of this threat. Such measures included: (a) printing and distributing anti-crime pamphlets for those opening new bank accounts; (b) holding a joint press conference with the Association of Banks

“Crimes are now more transnational in nature. Crimes committed in one country may produce proceeds of crime that are laundered in another country, as our money mules cases have clearly shown. There is a need for effective international cooperation amongst law enforcement agencies to work together in a concerted effort to combat crimes.”

and the National Crime Prevention Council to raise public awareness on the issue; (c) collaborating with the media for prominent coverage of money mule prosecutions; (d) contributing towards an episode of Crime Watch that dealt with the issue; and (e) outreaches to financial institutions to educate them on how to spot suspicious transactions.

We also worked very closely with key foreign law enforcement agencies on evidence gathering and repatriating stolen funds.

We prosecuted 31 persons in 2013 for their role in transferring benefits of crime, and seized a substantial portion of the alleged fraudulent funds in some cases. Much of our success is due to the excellent cooperation we had with financial institutions, who promptly alerted us of suspected fraudulent funds and complied swiftly with our instructions.

In response to the growing complexity and scale of financial crimes in Singapore, the number of branches and manpower resources dedicated to combat money laundering was increased. Consequently, the Financial Investigation Division was also

reorganised to form the Financial Investigation Group to better align itself with the external environment and prepare for future challenges. As the lead operational authority on money laundering and terrorism financing investigations, the FIG strives to prevent, detect and deter criminal funds from entering our financial system.

Crimes are now more transnational in nature. Crimes committed in one country may produce proceeds of crime that are laundered in another country, as our money mules cases have clearly shown. There is a need for effective international cooperation amongst law enforcement agencies to work together in a concerted effort to combat crimes. We have therefore set up, within FIG, the International Cooperation Branch, a dedicated branch to handle international cooperation matters.

We have also created a Counter-Financing of Terrorism Branch to strengthen our capacity to handle such crime. This is a complex area of work that calls for a certain degree of specialisation.

In order to effectively deter financial crime, it is essential to deprive the criminals of their ill-gotten gains and the resources needed to facilitate their illicit activities. Often, criminals commit their crimes over a period of time and may have enriched themselves immensely from this. The Asset Confiscation Branch was created with a view towards depriving criminals of whatever financial benefits they may have derived from their criminal activities. This is a highly challenging area which requires in-depth financial investigation and painstaking effort to follow the money trail. We believe this is important in combating financial crime as our experience has shown that depriving criminals of their benefits of crime is what hurts them most.

Designation of Tax Crimes as Money Laundering Predicate Offences in Singapore

Following the revision of the Financial Action Task Force ("FATF") Recommendations in February 2012, Singapore has criminalised the laundering of proceeds from tax evasion and serious fraudulent tax evasion with effect from 1 July 2013.

The FIG has implemented processes to combat the laundering of proceeds from both local and foreign tax offences. We have also worked closely with the Inland Revenue Authority of Singapore on a more robust regime to detect tax offenders and deter potential tax offenders from exploiting our financial centre.

International Co-operation

The FIG is also responsible for providing informal assistance to our foreign law enforcement agencies through INTERPOL and formal assistance to foreign authorities under our Mutual Assistance in Criminal Matters Act for commercial crime related matters. The FIG has seen a steady increase in the number of requests received over the years.

In 2013, we handled a total of 58 cases, including a case which involved the extradition of two Singaporeans to the United States in a case involving the unlawful export of military antennas from the United States to Singapore and Hong Kong, in violation of the US Legislation. They were subsequently sentenced in the federal court in the District of Columbia to serve an imprisonment term of 37 and 34 months respectively.

Challenges Ahead

Singapore has been a FATF member since 1992. As a member, Singapore is required to undergo a FATF mutual evaluation every few years. Assessors from the FATF Secretariat and experts from other FATF countries will evaluate our level of compliance with the FATF Recommendations and Effectiveness.

The next FATF Mutual Evaluation for Singapore (on-site visit) is scheduled in April 2015. The coming year will be a very busy one for the FIG as we prepare for this evaluation in the midst of handling high volumes of work. We will, nonetheless, endeavour to deprive criminals of their ill-gotten gains and disrupt their activities, thereby contributing towards our vision of making Singapore the safest place for business and finance.

Ian Wong

Deputy Director

Financial Investigation Group

HIGHLIGHTS OF FINANCIAL INVESTIGATION GROUP (FIG) CASES

Bank Relationship Manager Sentenced for Forgery and Money Laundering Offences (Vyia Lee Yock Sim)

On 8 July 2013, Vyia Lee Yock Sim was sentenced to 40 months' imprisonment for various offences, including forgery, cheating, securing access without authority to data held in a protected computer system and for converting benefits of criminal conduct under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

Vyia Lee Yock Sim, a former relationship manager with Citibank, misappropriated a total sum of USD 405,000 from six clients between November 2005 and July 2006. She was on the run for six years. There were no developments until 17 September 2012, when she was deported from Hong Kong (where she was found with a forged Lithuanian passport) to Singapore. She was arrested upon entry into Singapore.

Vyia Lee Yock Sim had forged her clients' signatures on various bank documents which caused their moneys to be received in accounts that were controlled by or linked to her. She also altered their addresses in Citibank's computer system so that they would not be informed of the unauthorised withdrawals through the periodic bank statements received.

PP v Yap Chee Yen

Yap Chee Yen (Yap) was a relationship manager with Clariden Leu Limited. In the course of his work between October 2009 and October 2011, he made a total of 13 unauthorised funds transfers totalling SGD 652,828 and USD 1,484,901.59 from the bank accounts of two of his clients.

The CAD's investigations revealed that the moneys from the above unauthorised transfers were either transferred to other clients' accounts or to other accounts linked to Yap. This was done intentionally so as to avoid detection that he was making the unauthorised transfers from clients' accounts.

Furthermore, during the course of our investigation, the CAD took swift action to seize SGD 1.03 million worth of suspected criminal proceeds. These include luxury items such as a luxury watch, a Mercedes Benz SL 350, shares and other complex financial products. Our investigations revealed that the moneys from the unauthorised transfers were used to fund the above purchases and to compensate other clients for investment losses suffered in their accounts.

Yap was charged for various offences including forgery for the purpose of cheating and money laundering, and pleaded guilty to the charges. Court has been adjourned for sentencing.

Hairstylist Sentenced for Money Laundering Offences (Gee Lee Cheng)

On 29 October 2013, Gee Lee Cheng was sentenced to 48 months' imprisonment for one count of dishonestly receiving stolen property and two counts of money laundering.

In May 2012, Gee Lee Cheng, a hairstylist, was instructed by her acquaintance named 'Stephen Habole' to receive a sum of SGD 620,241 from an unknown overseas account from the United States. Gee Lee Cheng suspected that something was amiss but was told by 'Stephen Habole' that the moneys were legal. Investigations showed that Gee Lee Cheng withdrew an amount of SGD 575,000 and brought it across the border, to 'Stephen Habole' who was residing in Malaysia. She retained SGD 8,000 as part of her payment for her services rendered.

Unemployed Man Sentenced for Money Laundering Offences (Lim Ee Tak Stephen)

On 3 January 2013, Lim Ee Tak Stephen was sentenced to a total of 54 months' imprisonment for two counts of dishonestly receiving stolen property and three counts of money laundering offences for acquiring and removing another person's benefits and also removing benefits of criminal conduct out of Singapore.

Money mule gets 6 years' jail for laundering \$5m

Singaporean woman became part of classic Nigerian get-rich-easy scam

By KHUSHWANT SINGH

ALL she had to do was receive another person's money in her bank accounts and pass it to associates – for which she would get up to \$5,000 in commission for each transaction.

Singaporean Nordiah Bakar participated in the classic Nigerian get-rich-easy scam. For helping to launder \$5 million, she was yesterday jailed for six years – the longest prison term ever imposed here on a money mule.

The \$5 million figure is the highest money laundering amount anyone here has been convicted of so far.

In 2012, Nordiah, 48, who was then operating a trading business, got to know Nigerian Alex Otumba in Johor Baru through a mutual friend. She was then told of another Nigerian, identified only as Mr Joseph.

The men – who are now at large – persuaded her to let them put money in her accounts.

Between July 19 and August 24 of that year, about \$5 million went into her accounts and those of her foster sister Zarina Othman, 48, and her brother-in-law

Zamali Jais, 60. The money was found to be fraudulently transferred from a Bahamas-based trust fund from the Gonet Bank and Trust.

Nordiah would withdraw the money and hand it over to people sent by the Nigerians.

On Monday, she pleaded guilty to 13 offences including receiving stolen property, acquiring or transferring benefits of criminal conduct and removing criminal proceeds out of jurisdiction.

Deputy Public Prosecutor Muhammad Imadoddien asked for at least six years' jail because of the large amount of money involved.

He noted that Nordiah recruited family members and made no restitution.

Defence counsel Ismail Hamid asked for a sentence of not more than three years, saying that while the overall amount was huge, his client only benefited by \$24,000. He said: "She was naive. She had been exploited by the Nigerians." However, District Judge Liew Thiam Leng said that a deterrent sentence was appropriate, citing the substantial number of transactions Nordiah carried out and the role she played.

Nordiah, now a shop assistant, could have been fined up to \$500,000 and jailed up to seven years just for each of the four offences of acquiring or transferring benefits of criminal conduct. Ms Zarina and Mr Zamali have not been charged.

khushsingh.com.sg



Nordiah Bakar, 48, pleaded guilty to 13 offences including receiving stolen property, and acquiring or transferring benefits of criminal conduct.

In March 2012, Lim Ee Tak Stephen, unemployed, befriended a female Caucasian from a social networking site. The investigation established that his online lover convinced him to receive a total sum of SGD 860,872 on five different occasions in his Singapore bank account. The funds were subsequently remitted out of Singapore, through licensed remittance businesses, to various entities in Malaysia. He profited a sum of SGD 5,556.05 from performing these money laundering acts.

Self Employed Woman Sentenced for Money Laundering Offences (Nordiah Bte Bakar)

On 28 January 2014, Nordiah was sentenced to 72 months' imprisonment for 12 counts of dishonestly receiving stolen property and 28 counts of money laundering.

Sometime in 2012, Nordiah befriended a Nigerian male known to her as Otumba Alex in Johore Bahru, Malaysia. Not long thereafter, Otumba sought Nordiah's assistance to receive payments into her bank accounts, and transfer the money to persons in Singapore. Otumba claimed that he needed a Singapore bank account to receive money, and could not do this without Nordiah's help. No further explanation was provided.

Nordiah agreed to help as she was promised a commission of SGD 5,000 for each transaction. She then proceeded to

open several bank accounts in Singapore to receive the funds, and provided Otumba the bank account numbers. Thereafter, Nordiah's bank accounts received several large funds transfers. Nordiah then proceeded to withdraw the funds in physical cash. She would, on the same day, hand the money to an unknown male person after deducting her commission.

Sometime in August 2012, Nordiah had concerns about the large sums she received in her bank accounts. She then approached her brother-in-law whose business had a bank account. She offered to pay SGD 4,000 for each transaction into the business' bank account. The brother-in-law agreed to this arrangement. Nordiah also asked her foster sister to open new bank accounts (in the latter's name) to receive funds transfers. The foster sister agreed.

Funds were subsequently transferred into the brother-in-law's business bank account, and the foster sister's bank account. Cash was then withdrawn, and the money handed to Nordiah.

In all, Nordiah facilitated the receipt/transfer of more than SGD 5.2 million. Investigations showed that these funds were proceeds of crime committed overseas. After consulting the Attorney-General's Chambers, the CAD served stern warnings to Nordiah's brother-in-law and foster sister.

Senior RWS exec slapped with \$100k fine for lying to regulator

By Grace Leong
gleong@sph.com.sg

A SENIOR Resorts World Sentosa (RWS) executive has been handed a stiff fine instead of being jailed for giving false information to the Casino Regulatory Authority (CRA). The court found that Lim Tze Chean, 44, did not personally gain, nor did he deliberately give false information to the CRA to hide the fact that local gamblers were reimbursed for the annual entry levies that they had paid with free Universal Studios Singapore (USS) tickets.

He was fined \$100,000 in default of 10 weeks' jail, having pleaded guilty to three charges of violating the Casino Control Act (CCA). Six other charges were taken into consideration for sentencing.

The *Business Times* understands that he is the first senior-level casino executive to be criminally convicted for violating the CCA. Formerly the vice-president of VIP services, he remains employed with RWS as a director of its projects department.

Two other executives, Lee Poh Yee, senior vice-president of gaming services, and Sim Bee Ling, an assistant manager of VIP ser-

vices, have been charged, and are claiming trial.

In his oral grounds of decision handed down yesterday, District Judge Soh Tze Bian said that he agreed with the prosecution that a deterrent sentence should be imposed to deter casino operators and its employees from circumventing regulations designed to ensure responsible gambling.

But he found that "the custody threshold" had not been crossed in Lim's case. "I see no reason why a high fine could not serve as a deterrent sentence for a first offender like (Lim), who is unlikely to re-offend, and who has not personally obtained any benefit from his present offences, and may also face disciplinary action and regulatory sanctions against him in his personal capacity under Section 53 of the Casino Control Act after his conviction."

The judge said that Lim's offences were "initially committed on RWS's instructions, without him actually knowing that RWS did not check or seek approval from the CRA".

When Lim realised this later, he covered it up first by lying to

the CRA officers and then destroying the relevant records out of his loyalty to RWS, Judge Soh added.

Deputy public prosecutor Muhammad Inaduddin said that Lim had told the CRA that the USS tickets were not targeted at patrons who renewed their annual levies, but were given instead as part of "service recovery", that is, complimentary items to appease unhappy customers.

RWS, fined \$600,000 last September, later conducted an inquiry into the violations and set up a compliance committee.

Lim pleaded guilty to an amended charge of misleading the CRA by claiming that RWS routinely issued free USS tickets to Gold Card members or high-stakes gamblers, but omitted telling the CRA that these tickets were given to encourage annual levy renewals.

Represented by senior counsel Michael Khoo, Lim also pleaded guilty to two counts of "recklessly" destroying part of the data logs of two customers by deleting the words "annual levy" and "For annual levy renewal approved by Albert Lim" after he was asked by the CRA in May 2011 to produce those records for a probe.

Employees of Resorts World at Sentosa Pte Ltd Fined for Providing False Statement (Lim Tze Chean and Others)

Between November 2013 and March 2014, three employees of Resorts World at Sentosa Pte Ltd (RWS), namely Lim Tze Chean (Lim), Sim Bee Ling (Sim) and Jay Lee Poh Yee (Jay), were convicted under the Casino Control Act (CCA) of recklessly destroying records required to have been produced to the Casino Regulatory Authority (CRA) and providing information that is misleading in a material particular to CRA. Lim was fined SGD 100,000 while Sim and Jay were each fined SGD 20,000 for the offences.

Lim was a Vice-President with the VIP Services of the Gaming Services Department at RWS. He reported to Jay, the Senior Vice-President of the Gaming Services Department.

Sometime in 2011, CRA received information that the management of RWS had given instructions for Universal Studios Singapore (USS) tickets to be issued to Singapore Citizens and permanent residents for renewal of their annual entry levy to enter the casino at RWS. It was suspected that the tickets had been issued in a way that breached the prohibition in CCA against reimbursement of the casino entry levy. The matter was referred to the CAD.

Investigations established that both Lim and Jay provided false information to the CRA inspectors. In response to CRA's queries, Lim informed CRA that complimentary USS tickets were issued by RWS to appease patrons who may have been unhappy with their experience at RWS, when he was aware that the tickets were in fact issued to customers as part of an annual levy reimbursement programme. Furthermore, he had also recklessly destroyed several original entries in respect of some of RWS' customers in the Casino Management System database as he thought this was best for RWS as his employer. Jay had also denied the existence of the annual levy reimbursement programme to CRA, when he was in fact the person who instructed his staff to issue the tickets to patrons who renewed their annual levy.

Investigations also revealed that Sim, the director of VIP Services at RWS, had instructed one of her subordinates to obliterate entries in relation to the issuance of USS tickets from RWS' records, when she came to know of CRA's queries about the said programme.

Stall Operator and Female Thai National Sentenced for Money Laundering Offences (Johnnie Tan and Thanyarat Jarutraveevit)

On 5 February 2013, Thanyarat Jarutraveevit was sentenced to 12 months' imprisonment for five counts of money laundering offences. Her accomplice, Johnnie Tan was sentenced to 12 months' imprisonment for three counts of dishonestly receiving stolen property, one count of dishonest misappropriation of property and one count of money laundering offence for removing benefits of criminal conduct out of Singapore on 3 September 2013.

Sometime in May 2012, Johnnie befriended a person known to him as "Monica Leslie" through the social networking website www.badoo.com. Sometime in June 2012, Monica sought Johnnie's assistance to receive funds in his bank account in Singapore, claiming that she needed a Singapore bank account to receive funds, and could not do so without his help. No further explanation was provided.

Johnnie agreed to help and provided her his bank account number.

By July 2012, Johnnie became suspicious of Monica. Monica informed him of incoming funds, but no funds transfers were made shortly after the notification. Monica also asked Johnnie for loans on several occasions. Johnnie felt that Monica could be scamming him.

Notwithstanding his concerns, when a sum of slightly more than SGD 106,000 was transferred into his bank account on 18 July 2012, Johnnie did not report his suspicions to the police. Monica instructed Johnnie to remit the sum to someone in Malaysia. However, Johnnie only transferred SGD 60,000, and retained the rest.

Sometime in November 2012, Johnnie befriended a person claiming to be “Jerry Smith” from London on the internet. Smith asked Johnnie for help in receiving funds, and Johnnie provided him his bank account number.

On 19 November 2012, Johnnie received slightly more than SGD 34,000 into his bank account. Instead of transferring the money, Johnnie proceeded to use it for his own personal expenses.

Investigations showed that the money that Johnnie received in his various bank account were proceeds of crime committed overseas. In all, Johnnie facilitated the receipt/transfer of SGD 212,024. Of this, the CAD recovered a total of SGD 119,000 from Johnnie.

Investigations also showed that Johnnie was instructed to pass a sum of money to a certain person. Johnnie agreed to assist the CAD to apprehend this person. Consequently, a female Thai national by the name of Thanyarat Jarytraveevit was arrested. She was supposed to collect money from Johnnie.

Investigations showed Thanyarat was a money mule who was instructed by an unknown person to enter Singapore, collect money, and courier the funds to Malaysia. Prior to her arrest, Thanyarat entered Singapore on several occasions to move money from Singapore to Malaysia.

More than SGD 76,000 was recovered from Thanyarat pursuant to her arrest.

Nigerian Syndicate Sentenced for Money Laundering Offences (Ojo Olutade Olutoyin and Others)

In 2013 and early 2014, a group of Nigerians, namely Ojo Olutade Olutoyin, Okonkwo Chiedu Anthony, Tchatat Blaise Vincent, Derrick Atawodi, Uyeh Dennis Kluvert and Adewumi Olufemi Oumy, were sentenced to imprisonment terms between eight months to 33 months for their involvement in dishonestly receiving stolen property and transferring benefits from criminal conduct.

In April 2012, a male Singaporean who is a prime mover driver befriended one ‘Farah T Anderson’ through a social networking site. In May 2012, he received a total sum of SGD 249,000 in his bank account and was directed by ‘Farah T Anderson’ to withdraw SGD 150,000 in cash and hand them over to her company representatives. He received phone calls and text messages from two mobile numbers registered by Ojo Olutade Olutoyin and Okonkwo Chiedu Anthony before handing over the moneys.

At the same time, CAD received information that Ojo Olutade Olutoyin could be related to fraudulent fund transfers of SGD 349,000 and USD 75,210.73 received in the bank accounts of two Singapore companies namely, Quvos Associates Pte Ltd and Four Brothers Commercial Pte Ltd.

On 2 September 2012, Ojo Olutade Olutoyin was arrested. This led to subsequent arrests of five other Nigerians namely, Okonkwo Chiedu Anthony, Uyeh Dennis Kluvert, Adewumi Olufemi Oumy, Derrick Atawodi and Tchatat Blaise Vincent.

Further investigations showed that the moneys concerned were criminal proceeds related to bank and email hacking frauds in the United States, United Kingdom and Canada.

4 moneychangers fined for not keeping proper records

By KHUSHWANT SINGH

FOUR moneychangers who failed in 2010 to record five transactions involving nearly 720,000 of stolen Fiji dollars – the equivalent of about S\$500,000 – faced the consequences in a district court yesterday.

The four men pleaded guilty last week.

Yesterday, Sheik Allavudeen Omar, 53, Nizamudeen Syed Ahmad, 51, and Amir Hamja Shaik Dawood, 54, were fined \$15,000 each on one charge of failing to record transactions of more than \$5,000. The fourth man, Abdul Jaleel Mohamed Ali, 53, was fined \$24,000 as he committed two such offences. The Money-Changing and Remittance Business Act requires all licensees to keep a complete record of transactions above \$5,000.

The court heard last week that three port workers broke into a container on a ship docked at Jurong Port on Aug 19, 2010, and stole a million Fiji dollars (S\$698,000). The money, in \$20 notes, was part of a shipment of newly-printed currency worth 202 million in Fiji dollars en route from London to the Pacific island nation.

The theft was discovered when the container arrived in Suva, the capital of Fiji. An Interpol alert was sent out and officers from Singapore's Commercial Affairs Department (CAD) discovered that three days after the theft, an unidentified man had exchanged a total of 340,000 Fiji dollars for Singapore currency on two occasions at Abdul Jaleel's Anisha & Riyas outlet at People's Park Centre.

At about the same time, another man converted 380,000 Fiji dollars into local money with Amir Hamja, the owner of the Twin Towers Exchange along Eu Tong Sen Street.

On Aug 22, King Silk House money-changer in Scotts Road bought 150,000 Fiji dollars from Anisha & Riyas. Its sole proprietor Sheik Allavudeen Omar then sold this amount the same day to Nizamudeen Syed Ahmad, the owner of Musfirah Trading located in Orchard Road.

None of these transactions were recorded, which in turn hindered CAD investigations to recover the money, said Deputy Public Prosecutor Karin Lai Yiling.

In passing sentence yesterday, District Judge Lee Poh Choo said the four men "should have become suspicious of the freshly-minted Fiji dollars but instead had turned a blind eye".

In 2011, the three port workers were jailed for between four and five



(From top) Sheik Allavudeen Omar, Nizamudeen Syed Ahmad and Amir Hamja Shaik Dawood were fined \$15,000 each on one charge of failing to record transactions of more than \$5,000. Abdul Jaleel Mohamed Ali was fined \$24,000 for committing two such offences.

ST PHOTOS: LIM SIN THAI

years for theft. A man who helped them launder the stolen cash into local currency was also jailed for a year.

Investigations are still continuing regarding the man who converted the Fiji dollars at Twin Towers while the identity of the other man remains unknown.

khush@sph.com.sg

Money Changers Fined for Exchanging Stolen Fijian Dollars

(Abdul Jaleel NK Mohamed Ali and Others)

In February and June 2013 respectively, five money changers, namely Abdul Jaleel of Anisha & Riyas Store, Amir Hamja of Twin Towers Exchange, Sheik Allavudeen of King Silk House, Nizamudeen of Musfirah Trading and Rosna Begam w/o Mohamed Jamal of Jamal Kazura Aromatics were charged with failure to keep proper records under the Money-changing and Remittance Businesses Act. They were each fined for the offence charged and the highest fine was SGD 15,000.

In 2010, FIG officers arrested Abdul Quadir and two of his accomplices for theft of one million newly printed Fiji currency dollars (FJD) onboard a cargo ship in Jurong Port. During investigation, a sum of FJD 114,060 was recovered in Singapore from various money changers. It was found that majority of the money changers who exchanged the FJD had failed to exercise due diligence in verifying the identities of their customers or questioning the source of the relatively uncommon currency. Instead, they ignored the risks and dealt with the newly printed FJD. Furthermore, their inadequate record systems made it difficult to effectively trace and recover the remaining FJD.

The maintenance of proper money changing transaction records is required under the law, and is important for law enforcement purposes. Proper documentary trail will help to combat money laundering activities and facilitate asset tracing if there is information that funds involved are tainted. This case shows that the CAD will not hesitate to take robust action to hold money changers accountable for failing to maintain proper records.

EVENTS AND VISITS



01

01. JANUARY TO DECEMBER 2013

CAD conducted over 60 outreach sessions to industry partners to update them on recent developments in the financial industry.

02. 21 FEBRUARY TO 1 MARCH 2013

CAD organised the International Economic Crime Course (IECC) 2013 for domestic and foreign law enforcement officers.

03. 27 MARCH 2013

CAD and the Monetary Authority of Singapore organised the Panel of Experts Meeting, an annual event held with the aim of gathering feedback from industry experts.

04. 9 MAY 2013

CAD hosted a visit by officers from the Indonesian Financial Transaction Reports and Analysis Centre.



02



03



04

**05. 12 JULY 2013**

CAD participated in the Association of Banks in Singapore (ABS) Financial Crime Seminar, attended by a record 540 participants.

06. 27 AUGUST 2013

CAD organised the ASEAN Workshop on International Economic Crime attended by law enforcement agencies from ASEAN countries and South Korea.

07. 26 SEPTEMBER 2013

CAD hosted a visit by the Egyptian Counselor.

08. 28 TO 29 NOVEMBER 2013

CAD participated in the 3rd Singapore Symposium on Casino Regulation and Crime attended by officers from local and foreign law enforcement agencies.



GLIMPSES OF CAD



01



02

01. 17 JANUARY 2013

CAD held its 13th Anniversary Celebration Dinner at the Orchard Hotel.

02. 15 MARCH 2013

CAD held the annual Director CAD Awards Presentation Ceremony to reward deserving officers for their good work done in 2012.

03. 21 MAY 2013

CAD officers were treated to a sumptuous lunch organised by promoted CAD officers.

04. 19 JULY 2013

CAD held a Townhall Session to announce the reorganisation plans and expansion of resources.



03



04



05

05. JANUARY TO DECEMBER 2013

CAD organised football matches with other police divisions, other government agencies and financial institutions throughout the year for the purpose of keeping fit as well as to build rapport with other working counterparts.

06. 11 SEPTEMBER 2013

CAD held a department bowling competition among its officers.

07. 4 OCTOBER 2013

CAD participated in the 2nd Tri-Agency Games together with the Attorney-General's Chambers (AGC) and the Corrupt Practices Investigation Bureau (CPIB).



06



07

NOTES OF APPRECIATION

NOTES OF APPRECIATION FROM OUR STRATEGIC PARTNERS

“Thank you very much for taking the time to...present to the South Africa Financial Intelligence Centre. The South Africa FIC... found the presentations useful and they are impressed with Singapore and its efficient systems.”

Monetary Authority of Singapore

“I wish to thank your department [CAD] for the close cooperation provided...appreciate the Singapore Police Force’s ongoing cooperation in the fight against serious organised crime.”

Australian Federal Police

“We sincerely appreciate the valuable task your team have spent reviewing issues faced by financial institutions to date. The information, directions and recommended strategies for current issues are well received...”

Money Changers Association (Singapore)

THANK YOU NOTES

“I would like to take this opportunity to thank [the officer] for her help throughout the investigation and would like to congratulate the Singapore Police Force for having such an outstanding officer.”

Victim

“We would like to extend our thanks and gratitude for your kind assistance in investigating the...case... If it weren’t for your quick response and efficiency, we would never have been able to locate or retrieve any of those shipments.”

Complainant/Victim

“[The officers’] efficiency and professionalism are really impressive... This helps the client and the bank... Thank you very much!”

Complainant

“I would like to thank you for taking this matter seriously and solving the matter in such a short time. Your service has been nothing short of exemplary.”

Complainant/Victim

“I must...place on record my deep appreciation for your concerted effort... I remain absolutely grateful...and am amazed at your efficiency.

Victim

ACKNOWLEDGEMENTS

The Commercial Affairs Department is grateful to the contributors, and all who have helped in one way or another, to make this annual report possible. We would like to thank the Singapore Press Holdings for the use of the newspaper articles from The Straits Times which have been reproduced in this report. We would also like to thank the Public Affairs Department, Planning & Organisation Department, Administration and Finance Department, Singapore Police Force, for their invaluable advice and assistance.

Advisors

Mr Tan Boon Gin
Mr Michael Scully
Ms Seow Hwee Koon
Mr Ian Wong
Ms Rachel Koo

Chairman

Mr Lim Tian Lye

Committee Members

Mr Andy Lim
Mr Eric Low
Ms Hoh Yu Li
Ms Jane Lim
Mr Jeremy Ang
Ms Jessica Lim
Mr Lee Shang Xing
Ms Michelle Cheang
Mr Muhammad Imran Mohamad Ayub
Ms Tan Hui Ping
Ms Zeenat Mohd Yassin

391 New Bridge Road #06-701
Police Cantonment Complex Block D
Singapore 088762
Tel: 1800 325 0000 | Fax: (65) 6223 3171